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Recorded message: 606-5303

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PERSONAL INCOME AND OUTLAYS: JULY 2001

Personal income increased \$43.9 billion, or 0.5 percent, and disposable personal income (DPI) increased \$127.9 billion, or 1.7 percent, in July, according to the Commerce Department's Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$7.1 billion, or 0.1 percent. In June, personal income increased \$30.5 billion, or 0.4 percent, DPI increased \$23.3 billion, or 0.3 percent, and PCE increased \$33.6 billion, or 0.5 percent, based on revised estimates.

	Mar.	Apr.	2001 May	June	July
		(Percent	change from	preceding month)	
Personal income, current dollars	0.4	0.3	0.1	0.4	0.5
Disposable personal income:					
Current dollars	.4	.3	.2	.3	1.7
Chained (1996) dollars	.5	.2	.0	.1	1.8
Personal consumption expenditures:					
Current dollars	.2	.4	.3	.5	.1
Chained (1996) dollars	.3	.2	.2	.3	.2

The July change in disposable personal income -- personal income less personal tax and nontax payments -- was boosted by several special factors. The largest of these factors was advance refund checks sent to taxpayers beginning in July as part of the Economic Growth and Tax Relief Reconciliation Act of 2001, which lowered net income tax payments. In addition, the Act lowered various income tax rates (and estimates of withheld income taxes) beginning in July. The July change in disposable personal income was also boosted by an increase in transfer payments, which reflected one-time payments to correct for underpayments of benefits associated with an error in the indexing for social security and supplemental security income benefits. Excluding these special factors, disposable income increased \$20.1 billion, or 0.3 percent, in July, after increasing \$23.3 billion, or 0.3 percent, in June.

Wages and salaries

Private wage and salary disbursements increased \$17.6 billion in July, compared with an increase of \$18.7 billion in June. Goods-producing industries' payrolls increased \$3.9 billion, in contrast to a decrease of \$1.4 billion; manufacturing payrolls increased \$3.8 billion, in contrast to a decrease of \$2.6 billion. Distributive industries' payrolls increased \$2.6 billion, compared with an increase of \$6.5 billion. Service industries' payrolls increased \$11.1 billion, compared with an increase of \$13.6 billion. Government wage and salary disbursements increased \$3.4 billion, compared with an increase of \$3.7 billion.

Other personal income

Proprietors' income increased \$1.2 billion in July, compared with an increase of \$3.1 billion in June. Farm proprietors' income decreased \$0.5 billion, the same decrease as in June. Nonfarm proprietors' income increased \$1.6 billion in July, compared with an increase of \$3.6 billion in June.

Transfer payments increased \$16.4 billion in July, compared with an increase of \$4.4 billion in June. The July change in transfer payments included one-time payments of \$11.2 billion (at an annual rate) to social security recipients and of \$1.5 billion to supplemental security income recipients, which reflected one-time payments to correct for underpayment of benefits. Personal interest income decreased \$2.6 billion in July, compared with a decrease of \$2.7 billion in June. Personal dividend income increased \$2.6 billion, compared with an increase of \$2.4 billion. Rental income of persons increased \$5.3 billion, compared with an increase of \$0.9 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$0.9 billion in July, compared with an increase of \$1.0 billion in June.

Personal taxes and disposable personal income

Personal tax and nontax payments decreased \$84.0 billion in July, in contrast to an increase of \$7.2 billion in June. The July change in personal tax and nontax payments reflected advance refund checks sent to taxpayers beginning in July, which subtracted \$81.4 billion (at an annual rate), and a reduction in income tax rates, which subtracted \$13.7 billion. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$127.9 billion, or 1.7 percent, in July, compared with an increase of \$23.3 billion, or 0.3 percent, in June.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of

the world (net) -- increased \$6.9 billion in July, compared with an increase of \$33.4 billion in June. PCE increased \$7.1 billion, compared with an increase of \$33.6 billion.

Personal saving -- DPI less personal outlays -- was \$191.4 billion in July, compared with \$70.4 billion in June. Personal saving as a percentage of disposable personal income was 2.5 percent in July, compared with 1.0 percent in June.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 1.8 percent in July, compared with an increase of 0.1 percent in June. The increase in real DPI in July reflected a slight decrease in the PCE implicit price deflator.

Real PCE -- PCE adjusted to remove price changes -- increased 0.2 percent in July, compared with an increase of 0.3 percent in June. Purchases of durable goods decreased 1.0 percent, in contrast to an increase of 2.4 percent. Purchases of motor vehicles and parts more than accounted for the July decrease. Purchases of nondurable goods increased 0.6 percent in July, in contrast to a decrease of 0.1 percent in June. Purchases of services increased 0.2 percent, compared with an increase of 0.1 percent.

Revisions

Estimates have been revised for April through June. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for May and June -- revised and as published in last month's release -- are shown below. Revisions for April were small.

	Change from preceding month							
	May				June			
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)	(Dollars)	(Percent)	(Percent)	(Dollars)	(Dollars)	(Percent)	(Percent)
Personal Income:								
Current dollars...	16.7	11.6	0.2	0.1	27.6	30.5	0.3	0.4
Disposable personal income:								
Current dollars...	16.6	11.6	.2	.2	21.0	23.3	.3	.3
Chained (1996) dollars...	5.8	1.1	.1	.0	6.7	9.4	.1	.1
Personal consumption expenditures:								
Current dollars...	20.4	23.7	.3	.3	25.7	33.6	.4	.5
Chained (1996) dollars...	9.9	12.6	.2	.2	11.5	19.3	.2	.3

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Next release -- Personal Income and Outlays for August will be released on October 1, 2001, at 8:30 A.M. EDT.

Table 1.-Personal Income
[Billions of dollars; months seasonally adjusted at annual rates]

	1999	2000	Feb 01	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/p/
Personal income.....	7,777.3	8,319.2	8,640.2	8,676.2	8,700.2	8,711.8	8,742.3	8,786.2
Wage and salary disbursements....	4,472.2	4,837.2	5,051.8	5,073.8	5,092.6	5,091.5	5,113.9	5,134.8
Private industries.....	3,747.9	4,068.8	4,262.3	4,281.1	4,296.5	4,292.5	4,311.2	4,328.8
Goods-producing industries....	1,088.7	1,163.7	1,206.2	1,210.6	1,208.1	1,203.5	1,202.1	1,206.0
Manufacturing.....	782.0	830.1	853.5	853.7	856.8	848.2	845.6	849.4
Distributive industries.....	1,021.0	1,095.6	1,141.0	1,142.2	1,146.9	1,145.2	1,151.7	1,154.3
Service industries.....	1,638.2	1,809.5	1,915.0	1,928.3	1,941.5	1,943.8	1,957.4	1,968.5
Government.....	724.3	768.4	789.6	792.7	796.1	799.0	802.7	806.1
Other labor income.....	509.7	534.2	549.3	550.3	551.3	552.0	553.1	553.9
Proprietors' income with inventory valuation and capital consumption adjustments.....	672.0	715.0	733.7	740.2	741.2	746.4	749.5	750.7
Farm.....	26.6	30.6	30.2	28.4	29.0	28.9	28.4	27.9
Nonfarm.....	645.4	684.4	703.5	711.8	712.2	717.6	721.2	722.8
Rental income of persons with capital consumption adjustment...	147.7	141.6	139.6	137.9	138.9	141.3	142.2	147.5
Personal dividend income.....	343.1	379.2	404.8	407.2	409.6	411.9	414.3	416.9
Personal interest income.....	950.0	1,000.6	1,010.8	1,009.1	1,006.4	1,003.7	1,001.0	998.4
Transfer payments to persons.....	1,019.6	1,069.1	1,122.4	1,131.0	1,134.1	1,138.4	1,142.8	1,159.2
Old-age, survivors, disability, and health insurance benefits..	588.0	617.3	651.7	656.0	658.7	660.7	661.1	674.7
Government unemployment insurance benefits.....	20.3	20.3	22.7	22.8	23.2	21.3	22.0	22.7
Other.....	411.2	431.5	448.0	452.2	452.3	456.4	459.6	461.9
Less: Personal contributions for social insurance.....	337.1	357.7	372.2	373.2	374.0	373.5	374.5	375.4

p Preliminary.

r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2.-The Disposition of Personal Income
[Billions of dollars]

	1999	2000	Feb 01	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/p/
Personal income.....	7,777.3	8,319.2	8,640.2	8,676.2	8,700.2	8,711.8	8,742.3	8,786.2
Less: Personal tax and nontax payments.....	1,159.2	1,288.2	1,345.0	1,349.4	1,348.6	1,348.6	1,355.8	1,271.8
Equals: Disposable personal income..	6,618.0	7,031.0	7,295.2	7,326.9	7,351.6	7,363.2	7,386.5	7,514.4
Less: Personal outlays.....	6,457.2	6,963.3	7,217.0	7,230.8	7,258.0	7,282.7	7,316.1	7,323.0
Personal consumption expenditures.	6,250.2	6,728.4	6,978.5	6,994.0	7,020.4	7,044.1	7,077.7	7,084.8
Interest paid by persons.....	179.7	205.3	208.4	206.7	207.5	208.5	208.2	208.1
Personal transfer payments to the rest of the world (net).....	27.2	29.6	30.1	30.1	30.1	30.1	30.1	30.1
Equals: Personal saving.....	160.9	67.7	78.2	96.0	93.6	80.4	70.4	191.4
Addenda:								
Disposable personal income:								
Chained (1996) dollars\1\.....	6,320.0	6,539.2	6,673.4	6,704.9	6,715.2	6,716.3	6,725.7	6,846.5
Per capita:								
Current dollars.....	24,242	25,528	26,335	26,429	26,498	26,520	26,583	27,023
Chained (1996) dollars.....	23,150	23,742	24,091	24,186	24,204	24,190	24,205	24,621
Population (thousands).....	272,996	275,423	277,011	277,223	277,436	277,649	277,864	278,078
Personal saving as a percentage of disposable personal income....	2.4	1.0	1.1	1.3	1.3	1.1	1.0	2.5

p Preliminary.

r Revised.

1. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

2. Population is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of estimates for the first of the month and the first of the following month; the annual estimate is the average of the monthly estimates.

Prior to January 2001, first-of-the-month estimates are from Census Bureau surveys and are consistent with the 1990 Census of Population. Beginning with January 2001, first-of-the-month estimates are derived by BEA based on extrapolations of the Census Bureau estimates.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3.-Personal Income and Its Disposition, Change from Preceding Period
[Billions of dollars]

	1999	2000	Feb 01	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/p/
Personal income.....	351.3	541.9	36.2	36.0	24.0	11.6	30.5	43.9
Wage and salary disbursements....	279.4	365.0	29.1	22.0	18.8	-1.1	22.4	20.9
Private industries.....	247.8	320.9	23.9	18.8	15.4	-4.0	18.7	17.6
Goods-producing industries....	50.2	75.0	4.1	4.4	-2.5	-4.6	-1.4	3.9
Manufacturing.....	25.4	48.1	.9	.2	3.1	-8.6	-2.6	3.8
Distributive industries.....	72.1	74.6	3.3	1.2	4.7	-1.7	6.5	2.6
Service industries.....	125.5	171.3	16.4	13.3	13.2	2.3	13.6	11.1
Government.....	31.6	44.1	5.3	3.1	3.4	2.9	3.7	3.4
Other labor income.....	19.1	24.5	1.1	1.0	1.0	.7	1.1	.8
Proprietors' income with inventory valuation and capital consumption adjustments.....	48.2	43.0	2.0	6.5	1.0	5.2	3.1	1.2
Farm.....	1.0	4.0	-.7	-1.8	.6	-.1	-.5	-.5
Nonfarm.....	47.2	39.0	2.7	8.3	.4	5.4	3.6	1.6
Rental income of persons with capital consumption adjustment...	9.1	-6.1	-1.9	-1.7	1.0	2.4	.9	5.3
Personal dividend income.....	-5.2	36.1	2.5	2.4	2.4	2.3	2.4	2.6
Personal interest income.....	-14.4	50.6	-1.9	-1.7	-2.7	-2.7	-2.7	-2.6
Transfer payments to persons.....	35.9	49.5	6.6	8.6	3.1	4.3	4.4	16.4
Old-age, survivors, disability, and health insurance benefits..	9.9	29.3	5.3	4.3	2.7	2.0	.4	13.6
Government unemployment insurance benefits.....	.8	.0	.0	.1	.4	-1.9	.7	.7
Other.....	25.1	20.3	1.3	4.2	.1	4.1	3.2	2.3
Less: Personal contributions for social insurance.....	20.8	20.6	1.5	1.0	.8	-.5	1.0	.9
Less: Personal tax and nontax payments.....	88.8	129.0	3.8	4.4	-.8	.0	7.2	-84.0
Equals: Disposable personal income..	262.4	413.0	32.3	31.7	24.7	11.6	23.3	127.9
Less: Personal outlays.....	403.1	506.1	16.2	13.8	27.2	24.7	33.4	6.9
Personal consumption expenditures.	394.2	478.2	18.1	15.5	26.4	23.7	33.6	7.1
Interest paid by persons.....	6.0	25.6	-1.9	-1.7	.8	1.0	-.3	-.1
Personal transfer payments to the rest of the world (net).....	2.9	2.4	.0	.0	.0	.0	.0	.0
Equals: Personal saving.....	-140.6	-93.2	16.2	17.8	-2.4	-13.2	-10.0	121.0
Addendum:								
Disposable personal income: chained (1996) dollars\1\.....	151.4	219.2	14.6	31.5	10.3	1.1	9.4	120.8

p Preliminary.

r Revised.

1. Equals disposable personal income deflated by the implicit price
deflator for personal consumption expenditures.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4-Personal Consumption Expenditures by Major Type of Product
[Billions of dollars; months seasonally adjusted at annual rates]

	1999	2000	Feb 01	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/p/
Billions of current dollars								
Personal consumption expenditures...	6,250.2	6,728.4	6,978.5	6,994.0	7,020.4	7,044.1	7,077.7	7,084.8
Durable goods.....	760.9	819.6	844.4	837.7	840.2	837.7	857.0	847.5
Nondurable goods.....	1,831.3	1,989.6	2,048.6	2,036.5	2,055.4	2,067.8	2,065.4	2,064.0
Services.....	3,658.0	3,919.2	4,085.4	4,119.8	4,124.8	4,138.6	4,155.4	4,173.3
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,968.4	6,257.8	6,383.6	6,400.3	6,412.6	6,425.2	6,444.5	6,455.1
Durable goods.....	817.8	895.5	929.4	925.3	930.2	931.4	953.5	943.6
Nondurable goods.....	1,766.4	1,849.9	1,874.8	1,868.1	1,877.2	1,882.3	1,880.1	1,891.1
Services.....	3,393.2	3,527.7	3,598.0	3,623.7	3,622.9	3,629.1	3,632.4	3,639.8
Chain-type price indexes (1996=100)								
Personal consumption expenditures...	104.72	107.52	109.32	109.28	109.48	109.64	109.83	109.76
Durable goods.....	93.04	91.53	90.86	90.54	90.33	89.93	89.88	89.81
Nondurable goods.....	103.67	107.55	109.28	109.02	109.50	109.86	109.86	109.15
Services.....	107.80	111.10	113.56	113.70	113.86	114.05	114.41	114.67
Addendum:								
Personal consumption expenditures less food and energy.....	104.99	107.02	108.40	108.45	108.55	108.49	108.71	108.95
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	394.2	478.2	18.1	15.5	26.4	23.7	33.6	7.1
Durable goods.....	67.7	58.7	12.3	-6.7	2.5	-2.5	19.3	-9.5
Nondurable goods.....	122.8	158.3	-7.6	-12.1	18.9	12.4	-2.4	-1.4
Services.....	203.7	261.2	13.3	34.4	5.0	13.8	16.8	17.9
Billions of chained (1996) dollars								
Personal consumption expenditures...	284.7	289.4	2.1	16.7	12.3	12.6	19.3	10.6
Durable goods.....	91.1	77.7	16.7	-4.1	4.9	1.2	22.1	-9.9
Nondurable goods.....	80.0	83.5	-16.4	-6.7	9.1	5.1	-2.2	11.0
Services.....	119.8	134.5	4.4	25.7	-8	6.2	3.3	7.4

p Preliminary.

r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 5.-Percent Change From Preceding Period in Selected Series

	1999	2000	Feb 01	Mar 01	Apr 01/r/	May 01/r/	Jun 01/r/	Jul 01/p/
Based on current dollars								
Personal income.....	4.7	7.0	.4	.4	.3	.1	.4	.5
Disposable personal income.....	4.1	6.2	.4	.4	.3	.2	.3	1.7
Personal consumption expenditures...	6.7	7.7	.3	.2	.4	.3	.5	.1
Durable goods.....	9.8	7.7	1.5	-.8	.3	-.3	2.3	-1.1
Nondurable goods.....	7.2	8.6	-.4	-.6	.9	.6	-.1	-.1
Services.....	5.9	7.1	.3	.8	.1	.3	.4	.4
Based on chained (1996) dollars								
Disposable personal income.....	2.5	3.5	.2	.5	.2	.0	.1	1.8
Personal consumption expenditures...	5.0	4.8	.0	.3	.2	.2	.3	.2
Durable goods.....	12.5	9.5	1.8	-.4	.5	.1	2.4	-1.0
Nondurable goods.....	4.7	4.7	-.9	-.4	.5	.3	-.1	.6
Services.....	3.7	4.0	.1	.7	.0	.2	.1	.2

p Preliminary.

r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.